Annex 1 to the

Acceleration Agreement

This Annex 1 to the Katapult Acceleration Agreement (“**Annex 1**”) was entered into on [insert date] between the following parties:

1. **Innovation Fund**,entity incorporated in accordance with the Law on Innovation, with registered seat at the address Nemanjina 22-26, Belgrade, Serbia, registration number 20154691(“**IF**”), and
2. **[insert name]**, a companyincorporated in Serbia, with registered seat at the address [insert address], registration number [insert number], (“**Company**”) and
3. **[insert name]**, from [insert place], personal identification/passport number [insert number], with the residence at the address [insert address], and
4. **[insert name]**, from [insert place], personal identification/passport number [insert number], with the residence at the address [insert address].

([insert name of the founder] and [insert name of the founder] are hereinafter referred to as the “**Founders**” and each of them as a “**Founder**”. The IF, the Company and the Founders are hereinafter referred to as the “**Parties**” and each of them as a “**Party**”).

**Preamble**

1. The Parties have entered into Katapult Acceleration Agreement dated [insert] (“**Agreement**”) which regulates mutual rights and obligations in relation to the Company’s participation in Katapult.
2. The Parties hereby acknowledge that the Company has entered into a binding arrangement to receive a Qualified Investment (in form and substance as defined under the Agreement and satisfactory to the IF) and therefore became eligible to receive the CI Grant for the purposes of the Project implementation.
3. Considering the above, the Parties enter into this Annex 1 with the purpose of regulating their mutual rights and obligations regarding the amount of CI Grant and manner and timing of disbursement thereof.

## Definitions and Interpretations

* 1. Defined terms have the meaning ascribed to them herein, whereby terms not defined herein, written in capital letters, have the meaning ascribed to them in the Agreement.

## CI Grant Amount

* 1. In line with Clause 4.1.2 of the Agreement and the Final Settlement executed between the IF and the Company on [insert], the Company is entitled to the CI Grant amount in the amount of [insert] (“**CI Grant Amount**”).

## Manner and Timing of Disbursement

* 1. Subject to terms of this Annex 1 and the Agreement, the CI Grant Amount shall be disbursed to the Company by the IF in 4/8 equal tranches. However, an amount of 10% of the total CI Grant Amount shall be deducted from the last tranche (i.e. 4th / 8th tranche) and shall be payable following the acceptance of the CI Grant Final Report and execution of CI Grant Final Settlement as elaborated in Clause 3.2.3 below.
	2. The schedule and conditions for payment of tranches of the CI Grant Amount shall be as follows:
		1. First tranche shall be payable at the earliest within 15 calendar days as of fulfilment of the last of the following cumulative conditions:
			1. The Company has submitted a written request for payment of the first tranche of the CI Grant, which request has to contain a specification whether the first tranche shall be disbursed to the Account t opened for the purposes of receiving the CI Grant;
			2. The Company and the investor have entered into the investment agreement for the Qualified Investment, satisfactory to the IF, subject to terms defined in Clause 4.2 of the Agreement; and
			3. The Company has provided appropriate evidence to the IF that Qualified Investment has been paid in cash to the Company (e.g. bank statement or similar).
		2. Second and all subsequent tranches shall be payable (save as otherwise provided for a part of the last tranche in Clause 3.2.3), at the earliest, within 15 calendar days as of date of the IF’s approval of the Company’s respective Progress and Financial Reports (as defined below in Clause 4), provided that:
			1. The IF has received the Company’s written request for payment of the relevant tranche of the CI Grant. If such request for payment is submitted after the date of IF’s approval of the Progress and Financial Reports, such tranche shall be payable, at the earliest, within 15 calendar days as of the date of receipt of the Company’s request; and
			2. at least 70% of the immediately preceding tranche has been spent as well as the 100% of all tranches preceding such (immediately preceding) tranche. For example, in case the Company submitted a payment request for the third tranche, at least 70% of the second tranche has to be spent and 100% of the first tranche has to be spent.
		3. In accordance Clause 3.1 hereof, 10% of the total CI Grant Amount shall be deducted from the last tranche and payable, at the earliest, within 15 calendar days as of fulfilment of the last of the following cumulative conditions:
			1. The Company has prepared and submitted to the IF a final report on use of the CI Grant (“**CI Grant Final Report**”) and the CI Grant Final Report has been approved by the IF. If the IF receives CI Grant Final Report and does not approve it, it will ask for additional clarifications and information. If even such additional clarifications and information are not satisfactory and CI Grant Final Report is not approved, this will be regarded as a breach of this Annex and the Agreement by the Company and the Founders; and
			2. The Company and the IF have signed a final settlement certificate by which they will confirm the amount of CI Grant Amount that was received and spent by the Company in the course of performance of this Annex (“**CI Grant Final Settlement**”). IF shall provide the form of the CI Grant Final Settlement to the Company in a timely manner following the approval of the CI Grant Final Report.
	3. Additionally, the following limitations shall be applicable in relation to use of CI Grant by the Company:
		1. Salary limitations: Gross II monthly salary (*srb. “bruto II mesečna zarada”*) of any Company’s employee cannot exceed RSD 450,000.00 (four hundred fifty thousand dinars). Moreover, monthly salaries paid to the Company’s employees during the term of this Annex have to be in line with their existing monthly salaries paid over the period of 12 months preceding the execution of this Annex (applicable only to existing employees of the Company).
		2. Overhead expenses: Total amount of overhead expenses shall represent 10% of the total amount of CI Grant Amount. Overhead expenses do not need to be separately specified by the Company, however, overhead expenses will be paid by the IF strictly in accordance with Clause 3.2.3 above.
		3. Reallocation of expenses: Up to 15% of total expenses to be paid out of the CI Grant Amount can be reallocated between different categories of expenses.
	4. Any deviation from the limitations stipulated in Clause 3.3. shall require prior written consent from the IF. The IF may, at its sole discretion, request from the Company to deliver additional documentation for the purposes of assessing whether such deviation is acceptable.

## Reporting

* + 1. The Company shall deliver quarterly progress and financial reports to the IF for the period of 12/24 months as of the day of the first CI Grant disbursement (“**Progress and Financial Reports**”) in form provided by the IF.
		2. Progress and Financial Reports shall be delivered within two weeks as of the end of the quarterly period.
		3. Progress and Financial Reports are subject to the IF’s approval. In case that the IF receives Progress and Financial Reports and does not approve them, it will ask for additional clarifications and information. The IF even such additional clarifications and information are not satisfactory and Progress and Financial Reports are not approved, this will be regarded as a breach of the Agreement by the Company and the Founders.

## Miscellaneous

* 1. Other Provisions. All other provisions of the Agreement which were not the subject matter of this Annex 1 remain in force unaltered.
	2. Amendments. Any amendments in relation to this Annex 1 or any of its Schedules shall not be valid and binding unless expressed in writing and signed by all Parties.
	3. Counterparts. This Annex 1 is executed in [(2) two] originals in English and Serbian versions. In case of discrepancies between the originals of this Annex 1 in English and Serbian versions, the English version shall prevail.

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